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## Preface

With the Eurozone embroiled in unprecedented crisis, the debate over European Union's democratic deficit and legitimacy dominates the media, public interest and its institutions. The euro crisis over the last years, linked to an existential battle to save the common currency driven by a technocratic elite, intensified mistrust in both EU and national institutions and gave rise to a new-fangled, wide-ranging albeit diverse Euroscepticism. The failure to cope with the complexities of the democratic deficit prior to the financial/sovereign debt crisis that plagued Europe contributed to a lethal mixture of causes that tend to undermine further both EU and national democratic legitimacy, exacerbating pre-existing weaknesses. The EU seems to be staring into the abyss.<sup>1</sup>

Euroscepticism is growing all over Europe, either in the form of a pragmatically oriented disbelief in the European Project's sustainability or out of dominant sociocultural patterns and ideological resistance—for example, as an assertion of national identity which in turn bolsters regionalist trends. Euroscepticism is located within the traditional left–right/pro–anti EU positioning of political parties or social movements (Milner 2005: 77; Topaloff 2012; Verney 2013). In the recent European Parliamentary Elections of the 24th May 2014 voter turnout was recorded at 43.09 %, slightly higher than the last 2009 European election, a “gain” not likely to convince Eurosceptics of the democratic credentials of Brussels. More significantly, the European landscape is being dramatically restructured by the rise of anti-EU forces, nationalist-populist parties on the extreme right or left, such as France's National Front, the Party for Freedom (PVV) of the Netherlands, Chryse Auge (Golden Dawn) in Greece and the Joppik party in Budapest (Andrea Mammone et al. 2012; Ruth Wodaket al. 2013).

Within academia, amongst political scientists and Europeanists, there has never been unanimity regarding the extent of a democratic deficit in the EU. Heterogeneous approaches to the European democratic deficit reflect divergences on the different conceptions of democracy (Weale 2007). The

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<sup>1</sup> “The European Union is going through its deepest crisis since its foundation” owing to multiple policy failures since the outbreak of the global financial crisis (Preiss and Brunner, 2013: 74). The discussion is, of course, dated—see Bellamy and Castiglione (2002).

democratic deficit debate is thus essentially intertwined with the ideas or the “ideal” type of democracy one considers appropriate for the EU. On a theoretical level the debate is integrally linked to normative and procedural/institutional definitions of “democracy” within the Western tradition. As Jensen succinctly pointed out “[t]he more the EU diverges from that ideal, the more pronounced the democratic deficit is usually considered to be” (Jensen 2009: 1). Unsurprisingly the resurfaced debate over Europe’s “democratic deficit” revitalised political theory by raising or challenging traditional perceptions about political values, the correlation between principles, values and practices, the legitimate scope of the authority of democratic institutions, the importance (or non-importance) of direct political participation as a means to influence decision-making and enhancing the quality of constitutional or executive government in general, political rights, equality, freedom and accountability.

What seems to progressively gain broad consensus is that we still strive to create a “theoretically more democratic Europe”—one embedded within the liberal tradition of political, moral and philosophical values. After all, “democracy”, literally meaning “rule of or by the people or the demos/community,” is a central part of the self-image of Western political tradition. Despite theoretical complexities, in its simplest form democratic discourse centrally involves the notion of “safeguarding liberty against power,” whether it is institutionalised or sanctioned by law or generated by unplanned and sometimes uncontrolled, yet overarching, constellation of market competition effects—national or supranational.

There is a rapidly growing sensitivity today that the EU, enmeshed in current financial/economic contingencies, has long suffered from democratic deficit and lack of legitimacy. Hence the economic crisis revealed an immensely pessimistic spectrum of undemocratic threats and practices. The euro crisis seems to have worsened the problem of democratic malfunction and aggravated the legitimacy issue.<sup>2</sup> For example, when it comes to procedural (un)democratic rules, elite top ministers and heads of government take big decisions affecting member states and hand them down to an unelected body called “troika”. It consists of representatives of the European Commission, European Central Bank and International Monetary Fund. National parliaments have been left with no political influence—they are almost non-entities; their decisions eventually count for nothing. Member states under “rescue bailout” schemes appear as troika protectorates. Democracy is significantly corroded. In this way, EU political legitimacy is becoming a troubled conceptual and empirical territory. Input legitimacy (i.e. perceptions about the benefit political institutions seem to be delivering to the citizenry) has evolved into a highly contested concept. For the heavily indebted countries of the Eurozone, the perception of a democratic deficit has become an enormously distressing and demoralising issue. The unelected body called “troika” has virtually forced national

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<sup>2</sup> Huw Macarthey (2013) tries to explain why “more Europe and less democracy” seems to be the order of the day.

parliaments to accept budget cuts, bailout and bail-in programmes, imposing drastic structural reforms that affect significantly national citizen's quality of life, and appear to defy core ideas such as equality, fairness and citizenship.<sup>3</sup>

Citizens across member states of the EU, especially in the South of Europe, whether individually affected or not by the debt crisis and austerity measures, are progressively losing trust in their national governments. The political impact is profound: we have witnessed premature endings of mandates, radical restructuring of party landscapes, unpredicted and unpredictable electoral results, mass protests and an intensifying stream of Euroscepticism. Along the lines of an opposition to the process of political European Integration that frequently involves perceptions of the EU as undemocratic and increasingly inefficient and bureaucratic. The idea of an inherent democratic deficit in the structural construction of the EU necessarily raises questions of democratic legitimacy. In a nutshell (input) legitimacy refers to a perceived lack of accessibility to citizens, or lack of representation of the ordinary citizen, and lack of accountability of European Union institutions. Overall, citizens across the EU are becoming increasingly sceptical of the EU's ability to work out efficient mechanisms to deal with the worst crisis since the Union's inception.<sup>4</sup>

As far as Representation is concerned, the overarching theoretical question is to what extent representation is tied to the EU(-ro) crisis/failure. What types of representation/democracy should the EU be focusing on? Closely linked to this lies the recurring question of the democratic legitimacy of the EU in light of the so-called "democratic deficit(s)", the policymaking power of an unelected (technocratic) bureaucracy, its concomitant elitism and abstract detachment from regional concerns.

This volume gathers together expert scholarship and tries to address the tensions created between national versus EU level of government, examining in detail issues which are conceptually and empirically relevant to the discussion, while not neglecting an EU perspective on the matter. The volume is not designed to address questions related solely to Eurozone countries but the entire of the EU.

Thus, the essays in this collection are designed to explore issues pertaining to democratic legitimisation in European politics intrinsically woven together: the monetary union and the debt crisis/economic growth, constitutionalism, European

<sup>3</sup> See also a relevant discussion in Michael Keating and David McCrone (2013).

<sup>4</sup> A survey in 2012, conducted by TNS Opinion on behalf of the European Commission, showed that, for the European Union overall, those who think that their country's interests are looked after well in the EU are now in a minority (42 %). TNS Opinion (July 2012). Question A21a.2, (PDF, T78). *Standard Eurobarometer 77 Table of Results*, European Commission, retrieved 13 October 2012. Question: "The interests of (OUR COUNTRY) are well taken into account in the EU."

- Total agree: 42 %
- Total disagree: 50 %

integration (and disintegration), European federalism versus regionalism, Euroscepticism and the British question, the limits of political participation and active citizenship, EU and Globalisation. Significantly, the present volume expands on and explores various concerns/problems/pathologies largely perceived as threatening the future of the EU, not only on the basis of contemporary contingencies and temporary factors, but also those affecting its future development and growth.

The project—despite its thematic and topical coverage—does not implicitly or explicitly aim to convey a pessimistic perspective on European affairs but to draw the anatomy of the “European crisis”, analyse the roots/causes and background of problematic or malfunctioning areas, and make an effort towards anticipating future developments. It is not implied here that everything “went wrong” across the board; some policy fields did better than others. For example, though fiscal policy (or lack of one) is an area where the EU/Euro went wrong, environmental policy has performed much better. Foreign policy, for some, can even be considered as a mild case of EU success.

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## Structure of the Volume

The volume is divided into four interrelated thematic sections each consisting of three chapters, written by specialists: National Euroscepticism, EMU & Legitimacy Crisis, (iL-) Legitimate EU? (or, the Future of EU Integration), and EU Deficit(s) and Legitimacies.

### National Euroscepticism

In chapter “Britain and Europe: a model of permanent crisis?” Simon Usherwood argues that the Eurozone crisis has shown how the fates of all European states are closely bound together, even if they do not all participate in the same institutions. Thus the UK has found itself drawn into debates about Eurozone governance despite not being part of the single currency. Likewise, other EU member states have been forced to consider more closely the British experience and approach to European integration. This chapter argues that the long and problematic relationship between the UK and the Union offers some constructive lessons to both sides about the management of a system that finds itself at a critical juncture. In particular, it highlights the importance of open and flexible interaction between parties, the need to continue to secure popular support and identification and a willingness to accept that more radical options have to be discussed, if not necessarily taken. In so doing, the chapter suggests that the current crisis offers the seeds of a new phase in European integration.

Christian Schweiger in chapter “The ‘Reluctant Hegemon’: Germany in the EU’s Post-Crisis Constellation” shows that the financial crisis and the subsequent sovereign debt crisis in the Eurozone have caused a fundamental shift in the EU’s internal power balance. The economic weakness of France and the other two larger Eurozone countries Italy and Spain has pushed Germany as the largest Eurozone

member state with the strongest economic performance into a dominant position as agenda-setter. The German Chancellor Angela Merkel has been reluctant to accept her country's new unintended position as a hegemon in the EU. Under her leadership the EU has responded to the crisis by creating a new complex policy framework with multiple levels of responsibility. The new set-up poses substantial risks for Germany's future position in the EU. Germany's insistence on putting fiscal austerity at the heart of the EU's emerging post-crisis agenda has alienated many member states, particularly those who face grave social consequences as a result of the crisis. Moreover, the German ambition to push the Eurozone towards full political integration risks dividing the EU's membership base into a core Euro insider versus a periphery outsider group. The strengthening of the supervisory powers of EU's institutional level has as of yet unpredictable consequences for sovereign national policymaking. This chapter argues that the post-crisis internal set-up in the EU poses the substantial risk of long-term political isolation for Germany if its leaders fail to present a broader vision for the future of the EU. At the same time Germany's good relations with countries in Central and Eastern Europe present an opportunity for the country to form new leadership alliances and to counter renewed fears of a "German Europe".

José M. Magone in chapter "Divided Europe? Euroscepticism in East Central and Southern Europe" maintains, convincingly, that European integration is at the crossroads. A growing divide in terms of politics, society, economy and culture is emerging in the European Union. The peripheralisation of central, eastern and southern Europe after 2008 due to the financial crisis has accordingly changed the perceived benefits of being a member of the European Union. A growing instrumental Euroscepticism has become more prominent in most central, eastern and southern European countries. Although the divide between core and periphery Europe became more prominent after 2008, this chapter argues that a divergence between rich and poor countries started already at the beginning of the millennium. The cleavage between rich net payer member states and poor net receivers has certainly contributed to the consolidation of a centre-periphery divide. Magone describes the transformation of the discourse or discourses among the member states at the European level—a discussion of what is Euroscepticism and which varieties of the phenomenon are involved in national debates. Magone argues Euroscepticism is largely instrumental and related to the negative impact of the austerity policies of the European Union. The austerity policies have exposed the myth that the EU could be instrumentalised to transform ailing socio-economic structures. The EU as *vincolo esterno* has changed from a soft touch approach of transformation to a hard one. This clearly alienated many populations from the EU. The chapter addresses this change of mood and how it is being instrumentalised by more radical groups such as Golden Dawn in Greece and Jobbik in Hungary to return to nationalist policies. In spite of differences, Euroscepticism has become a phenomenon in central, eastern and southern European countries. However, this chapter outlines different groups of countries and the level of Euroscepticism in each one of them.

## **EMU and Legitimacy Crisis**

Philomena Murray and Michael Longo in chapter “The Crisis-Legitimacy Nexus in the European Union” contextualise the Eurozone sovereign debt crisis and examine current challenges of EU governance in an era of mixed sovereignty. This chapter focuses on the relationship between the crisis and the EU’s long-standing legitimacy challenges. It examines key debates representing the range of views and perspectives on the genesis of the crisis. Driven by domestic attitudes and political imperatives, the crisis debates are demonstrating the highly contested nature of EU policy prescriptions to overcome the crisis. Social tensions and old prejudices, both within and between states, are resurfacing, testing long-standing assumptions about European integration. At the same time, political leaders in the EU and in some member states are rapidly losing the trust of their people as economic hardship and a concomitant rise in populism harden the citizens’ feelings towards them. Fiscal deficits and enduring deficits of democracy and legitimacy are conflating with emerging deficits of solidarity, growth and social justice to present a potentially damning vision of European integration. Renewed faith in the European Union as a politico-economic endeavour with a focus on solidarity, participation and equality is essential if Europe is to avoid disintegration and decline.

Mark Baimbridge in chapter “Economy and Monetary Union” reviews the substantive issue of the contemporary intertwining of both national and overall EU economy in relation to the spectre of monetary union through first evaluating a country’s readiness for euro entry through a comparison between the convergence criteria stipulated in the Treaty on European Union and the theory of optimal currency areas, which leads to a discussion of the economic costs and benefits of euro membership. However, given the unprecedented strain the Eurozone has now come under, this chapter also examines the background to the current Eurozone crisis. Specifically, how the Global Financial Crisis induced Great Recession triggered the problems within the Eurozone. Subsequently, Baimbridge explores how the advent of EMU has significantly redefined the operation of fiscal and monetary policy with the former retained by member states, but proscribed by EMU-wide rules, whilst the latter has been assumed by a specifically created independent central bank. Hence, the chapter explores the theoretical underpinnings of the operation of monetary and fiscal policy within EMU, where it examines the conduct, coordination and philosophy of macroeconomic policymaking. This analysis is then extended by discussing a series of potential remedies, consisting of an evaluation of EU instigated solutions, together with a series of alternative propositions. However, whilst the economic remedies to the Eurozone crisis may eventually succeed, the greater long-term damage may well emerge through the political sphere with the imposition of unelected technocrat governments, together with growing dissatisfaction of mainstream political parties with support for either the far-right, protest parties, anti-euro parties, anti-EU parties or member states losing confidence in the direction of “ever closer union”.

Chapter “Suspending democracy? The role of unelected bodies in the governance of the EU economic crisis”, by Diego Giannone, is a revealing account of

how the economic crisis of the EU is threatening also the fragile foundations of European democracy. It is not, however, as it might seem, a transitional stage of “authoritarianism of emergency” due to the severity of the crisis and the need to face it as quickly as possible. Giannone argues that the economic choices made in recent years, the policies imposed on States and European citizens as well as the method chosen to implement these policies—in brief, what he defines as the “economic governance” of the EU—can be read as a further step towards its neoliberalisation. This new constitutionalism of the EU is based on a twofold development: on the one hand, the onward de-democratisation of European politics, with the substitution of democracy with forms of neoliberal governance; on the other hand, the onward de-politicisation of European economy, based on the empowerment of unelected bodies, such as the European Central Bank (ECB), and the marginalisation of elected representatives. Giannone’s chapter describes the neoliberal restructuring of the EU and national states on both the political and economic level, by analysing the EU’s responses to its democratic deficit and the role played by the ECB in the economic and financial crisis.

### **(iL-) Legitimate EU?**

In chapter 7 Gulshan Khan (“Habermas’ Europa”) reviews Jürgen Habermas’s book *The Crisis of the European Union*. Khan shows that Habermas’s suggestions for transition from monetary to political and democratic union are persuasive, as are his calls for a unified Europe to have stronger global presence. However, it is shown that there is a gap between contemporary pressing realities and the optimism of Habermas’s cosmopolitan aspirations. Indeed, Habermas acknowledges just how far we are presently removed from this normative vision, and how the institutions of the EU are currently controlled by technocratic elites with their neoliberal agenda. With this in mind, Khan argues that there are inherent problems with the way Habermas links the possibilities of future political union to the high ambitions of his cosmopolitan ideal. The chapter introduces the reader to some of the key elements of Habermas’s wider theoretical project focusing on his conceptions of democracy and legitimacy, and what this implies for the relationship between law and democratic politics, as well as his thoughts on cosmopolitanism and the legacy of the European Enlightenment project. Then, it outlines his argument for a European Constitution, and connects this to his more general reflections on democracy. In the final section Khan focuses on Habermas’s conception of the future of Europe, with particular reference to his vision of Europe as a key player in world politics. This chapter suggests that a unified Europe as a countervailing force in global politics is possible and desirable, but without the cosmopolitan ideal that underpins Habermas’ approach.

Hardy Hannapi in chapter “Defeating Nationalism in Europe. Voting mechanisms for highly integrated economics” shows how dense economic links in Europe are, basically by using intra-European trade flows and some financial data on the increasingly oligarchic ownership structure of financial intermediaries. Such

a highly integrated area with this enormous amount of households needs a quantum jump in democracy design—the advances of the division of labour come at the price of dramatically increasing alienation. A problem which has not even been properly conceptualised yet. What we observe is unreasonable piecemeal engineering guided by fundamentally inappropriate ideological model fragments maintained by the leading political elite. Some ideas on voting theory that highlight the difficulties of such a political design are provided. Hannapi concludes that such a “pilot project Europe” has to be enforced rapidly to prevent radicalisation of nationalism—to avoid a new totalitarianism.

Fernanda Neutel, in chapter “Pushing the Union forward? The role of the European Parliament in the Union crisis,” expands on the idea of the EU’s *sui generis* governance. She argues that the EU might configure a multilevel system, a post-parliamentary structure or a federal model in which the European Parliament resembles the traditional parliaments. In fact the European Parliament has been acquiring contours of a traditional Parliament. It is a co-legislator in most policy areas with the Council. It has legislative, budget and control powers and it can be influential by using consultation procedures, own-initiative reports and written declarations. Party politics is also very important within the institution. The national delegations have had no difficulties to get together in the European Parliament, the rates of cohesion are outstanding, the Eurogroups can easily make coalitions and the left–right divide can be perceived. There is a European governance tied together by means of a specific programme supported by an ideological majority in the European Union. The measures put forward to tackle the 2008 crisis submerging the Union since that time were sustained by this governance. In the European Parliament, some minor countervailing procedures have been recommended but with no impact. Although from 2012 to 2013 the economic measures presented by the Commission and the Council to the European Parliament have been received with less enthusiasm, the latter remains a supportive institution for the prevailing policies. However, there is a lot to say about this unfinished system. Following the democratic European tradition with significant levels of democratic control, Neutel argues, the lack of accountability of the European institutions still plagues European governance.

## **EU Deficit(s) and Legitimacies**

In chapter “EU Democratic Deficit(s) and Legitimacy; System Versus Sub-System Level”, Alex Katsaitis argues that despite theoretical work on the importance of civicity and representativeness for modern democracies, less has been done to connect research on interest groups and the democratic deficit of the EU. Thus his chapter links democratic deficit frames with post-modern legitimacy conceptualisations. Different legitimacy demands (input, output) across the EU’s subsystems lead to variation in the activity of interest groups (public, private) that supply it. Utilising research on 4,000 interest groups from the Register of Interest Representatives, the analysis indicates that different frames of the democratic



deficit apply across Directorate Generals (DGs). It appears that both under- and over-representation are taking place. If the EU is to improve its aggregate legitimacy then it must address multiple democratic deficits found across its DGs, by balancing the density and diversity of different types of interest groups clustering around them.

Nicola Chelotti and Volkan Gul in chapter “Foreign and Defence Policy and Legitimacy” analyse the legitimacy of EU foreign and defence policy, by investigating the logic and practices of its decision-making process. EU foreign and defence policy is increasingly made by national diplomats in Brussels, in Council committees, with minor involvement of elected national politicians and with a certain leeway from the influence of the national capitals. In addition, some of these officials adopt supranational conceptions of their diplomatic role and undergo (partial) processes of EU socialisation. This chapter uses an original database of 138 questionnaires with national diplomats participating in the decision-making process of EU foreign policy. In this perspective, the legitimacy of EU foreign policy is evaluated, with respect to different aspects. This includes (but not limited to) the legitimacy of Council committees as decision-making sites, of their members, of their decisions and of the act (and chain) of power delegation. The authors also explore the relation between legitimacy and accountability in this context.

In the final chapter “European Union in the globalized world” Fritz Breuss demonstrates that the European Union (EU) as a regional entity is embedded in the process of globalisation. Since the entry into force of the Lisbon Treaty on 1 December 2009 the EU has increasingly emancipated itself from a “political dwarf” to a political “global player”. Although Europe’s supremacy in world trade slowly begins to crumble, the EU is still a “world trade superpower”. The euro has become the second most important reserve currency since its introduction in 2002. The EU maintains an extensive network of bilateral free trade agreements (EU’s “spaghetti bowl”). To shield against the dangers of globalisation, the EU runs several strategies. Firstly, the continuing enlargement the EU’s internal market is equivalent to an implicit foreclosure of third countries. This immunisation effect is reinforced by the expansion of the Eurozone. Secondly, the EU’s competition and anti-dumping policies are very effective in ensuring fair competition in the EU internal market. Losers of the globalisation get support from EU’s globalisation fund.<sup>5</sup>

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<sup>5</sup> I would like to express my sincere thanks to Alex Katsaitis for his constructive comments on the structure of this volume and his generous and insightful advice, whenever needed.

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The European Union in Crisis

Explorations in Representation and Democratic  
Legitimacy

Demetriou, K.N. (Ed.)

2015, XXI, 257 p. 17 illus., 5 illus. in color., Hardcover

ISBN: 978-3-319-08773-3